

# Alex Salmond and David Cameron's incoherent referendum plans mean that they are unlikely to get what they want for either Scotland or the UK.

Blog Admin

*An independence referendum is due to be held in Scotland in 2014, with another referendum being pledged by UK Prime Minister David Cameron on the country's relationship with Europe in 2017. [Jo Murkens](#) and [Peter Jones](#) argue that in both referendums the options put before the electorate are likely to be exceptionally vague. The UK's proposed new relationship with Europe is still largely unknown, and it is unclear what the precise nature of an independent Scotland would involve.*



Countries that are used to referendums on constitutional matters use them sparingly. The UK has no such constitutional requirement, but faces the possibility of having to deal with two such referendums within the space of a few years. The first referendum could see Scotland break away from the United Kingdom, the second could see the United Kingdom(which by then may or may not include Scotland) break away from the European Union.



The common issue to both Scottish First Minister Alex Salmond, and UK Prime Minister David Cameron, is political sovereignty. They both want more of it; Salmond wants to claim it from the UK, Cameron wants to claim it from the EU. In that narrow sense, they are both nationalists: Salmond a Scottish one, Cameron a British one. Both also want, they claim, to be good European citizens but have to contend with the problem that the European club they want to be members of has rules which conflict with their visions of the idealised version they imagine it should be. And the promotion of this idealised vision to their voters leads them both to political positions which are incoherent.

## Scotland's difficult road towards independence and EU membership

For the Scottish National Party (SNP) which

For the Scottish National Party (SNP) which was, until the advent of devolution in 1999, a minority fringe party, the 'Independence in Europe' policy was never subjected to serious examination. It was not much more than a political slogan used in political debate to counter the separatist charge levelled by opponents. The most that was done to develop this policy was to locate sympathetic European luminaries who gave the SNP helpful quotes asserting that upon independence, Scotland would move seamlessly into EU membership. It became an article of SNP faith that Scotland would be warmly welcomed into the happy European family, effectively countering 'separatist' accusations. So cemented into SNP ideology is this belief that Nicola Sturgeon, deputy first minister, told the Scottish Parliament's European and external relations committee in December 2007: 'It is the clear view of the Scottish National Party and the [Scottish] government that Scotland would automatically be a member of the European Union upon independence.'



Scotland's First Minister Alex Salmond and UK Prime Minister David Cameron Credit: Scottish Government (Creative Commons BY NC)

The automaticity proposition founders on the rather obvious point that while the people and territory of Scotland may already be in the EU, the Scottish government is not. And the Scottish government being in the EU requires its votes in the European Council and other entitlements to be written into EU treaties, which can only be done with the unanimous consent of all other member states. This remains the case. The SNP, however, refuses to acknowledge this point because it raises the vision of Scotland being outside the EU and having to bang on the door begging to be allowed in out of the cold, bringing the separatist bogey back into play.

The battle against the separatist charge has had to be fought on another front – within the UK. Unionists have alleged that independence will mean that families with members on either side of the border will become fragmented, that they and commercial trade will have to negotiate border controls at Berwick and Gretna Green, that Scotland will lose access to popular BBC shows such as East Enders and Strictly Come Dancing and so on. To counter this, the SNP has devised a new strategy – that while the political union of the UK will come to an end, the social and civil union will continue and prosper. Thus families will be just as united and able to jointly celebrate such things as the Queen's birthdays and anniversaries as she will still be the titular head of state in an independent Scotland.

Harsh economic realities, however, have forced the extension of this soft unionism into harder areas. The stresses and strains that the euro is under have made it as unattractive to Scots as it is to the English. The SNP decided some time ago that it would stick with sterling as its currency until such time as there are economic benefits to joining the euro, which would only occur after a referendum. As some 60 per cent of Scottish trade is with the rest of the UK, it makes little sense to erect a currency barrier to that trade while tearing one down to benefit the 20 per cent of Scottish trade that is with the Eurozone.

The travails of the euro and the proposed deeper integration remedies, however, demonstrate that such a currency union would erode Scotland's fiscal independence. Proposed tax changes and government budgets would have to come under the tutelage of the (by then) foreign institutions of the UK Treasury and the Bank of England. Various unionist politicians, such as Treasury chief secretary Danny Alexander and former chancellor Alistair Darling, have argued either that the UK government simply could not countenance such an arrangement, or that the arrangements would be so restrictive as to nullify the claimed gains from political independence.

The SNP's counter to this has been to assert a rather crude truth, that as sterling is a fully tradeable currency, the UK cannot stop Scotland from unilaterally adopting the pound. This, however, looks unsatisfactory from the point of view of independence. It leaves monetary policy, the determination of interest rates, and the operation of quantitative easing in the Bank of England's hands. The SNP also claim, rather more vaguely, that the fiscal stability pact necessary for a currency union need not be so restrictive when, in fact, the lesson of EU struggles to stabilise the euro point to tighter rather than looser centralised fiscal controls.

This puts Salmond in the odd position of being, simultaneously, a Scottish nationalist, a European federalist, and a British unionist. He wants Scotland to have untrammelled use of its own credit card to dine at the same time in the British and European restaurants, but refuses the *table d'hôte* menu and insists on picking from two *à la carte* menus, which neither chefs seem willing to offer.

### **David Cameron is asking the impossible of Europe**

Cameron is in only a slightly less strange place. He wants to trade heavily on his British nationalism with his domestic audience, but waves his European unionism when on the other side of the English Channel. Both audiences are, however, able to see what is being presented to the other and thus he runs the high risk of undermining his message to one by his contrary calls to the other.

In his much publicised [speech](#) on 23 January 2013, David Cameron set out his intention to renegotiate the UK's relationship with the EU and put the terms of that changed membership to the British people in an 'in/out' referendum by the end of 2017, subject to the Conservatives winning an outright majority in the general elections in 2015. His speech received global attention and a mixture of praise (e.g. those who agreed that the EU '[needs to be reformed](#)') and criticism (e.g. those who disagreed with the '[language of unilateral negotiations and the threat of withdrawal](#)'). Much of the commentary, indeed much of the speech itself, is based on the dubious premise that the UK is a major player in the European Union.

On one level, the UK undoubtedly sits at the top table: it has the third largest population and the third largest economy in the EU. However, the UK already has a different relationship with the EU than the other member states. It gets a significant rebate on its financial contributions to the EU budget; it has external borders with other EU member states; it has its own currency; it did not sign the fiscal stability treaty which requires budget prudence and introduces a debt brake for the 17 Eurozone states; and it will not (unlike 11 Eurozone states) impose a financial transaction tax which is designed to discourage speculative trading. Moreover, the UK limited the applicability of the Charter of Fundamental Rights and the way in which it may be interpreted. And its red-lines approach at the [IGC in 2007](#) means that the UK can itself decide (by 31 May 2014) whether to implement all the European measures on police and justice (which will be subject to the jurisdiction of the Court of Justice of the European Union) or whether to opt out of all the measures and then adopt individual measures on an ad hoc basis (subject to the consent of the other member states). Although how exactly the latter option 'cuts red tape' is anyone's guess.

If this isn't *à la carte*, then what is? What more does Cameron want to renegotiate? No one knows, and no one has yet produced a checklist, although the government will be working on one until the autumn of 2014. For the time being, the Working Time Directive, the European Arrest Warrant, and a better deal on fisheries keep coming up in debate. Is it realistic to argue that powers in those areas can be returned to the member states? The practical options are the following. Either the UK tries to tackle the matter from above by reducing the law-making powers of the EU institutions (that option would require a treaty change and the unanimous agreement of the other member states which is, currently, unrealistic). Or the UK tries to negotiate a better 'deal' for itself (e.g. through opt outs and protocols that are attached to the Treaty). But is it credible that the other member states would grant the UK special treatment when every member state is subject to aspects of EU law of which it disapproves? Overall neither option seems workable.

On a more fundamental level it seems baffling that British Euroscepticism would appear to hinge on a handful of powers that need to be 'repatriated'. It doesn't, and it is ludicrous to suggest that the Europhobes in the Conservative party will be placated if junior doctors work longer, and UK nationals

who are wanted on charges abroad cannot be extradited (whereas, of course, UK nationals who have committed a crime in the UK but fled to another EU member state will immediately be brought back home). On fishing, where the real issue is depleted stocks through overfishing, the Commission is already transferring decision-making powers to the member states in an attempt to decentralise fishing policy and tailor it to local conditions. As Douglas Alexander put it: 'The gap between the minimum the Tories will demand and the maximum the EU could give is unbridgeable'. These are not the fundamental issues, and any self-respecting Europhobe will not rest until the UK has exited the Union and re-attached itself to the single market like a dingy to a supertanker.

So if Cameron's speech does not stand up to scrutiny from a European perspective, maybe its intended target was closer to home. Almost all foreign and domestic observers noted that the speech was driven primarily by domestic party politicking (the United Kingdom Independence Party – UKIP) and internecine party struggles (Bill Cash). Cameron is trying to unify a fractured party in the run-up to the general elections in 2015, and UKIP and the Tory backbenchers forced his hand. But even domestically Cameron may have dealt himself a bad hand. The offer of a referendum on renegotiated membership after the next general election is subject to two unknowns: i) the outcome of the 2015 elections; ii) the outcome of the negotiations. It is presently far from clear whether he will be successful with respect to either or both.

Until then Cameron will be seeking, not so much *nouvelle cuisine* as *cuisine impossible*, just like Salmond: untrammelled UK access to the European single market restaurant, refusal of the *table d'hôte* menu and insistence on the *à la carte* menu which is not on offer. And then he will have the nerve to ask for a rebate (i.e. other member states subsidising his dining) when presented with the bill.

## Two Incoherent Policies

Cameron's policy on the EU is just as incoherent as the SNP's policy on continuing EU membership on current terms. Cameron assumes he will win the next election, just as Alex Salmond assumes that Scotland will automatically be an EU member state. Cameron claims that he can walk into the room and negotiate a new deal. Salmond claims that he can secure Scotland's place in Europe on current terms: i.e. by inheriting the UK's opt outs on the euro currency and the Schengen free travel area, which is illusory.

Moreover, a referendum (if one is to be had) needs to set out two clear choices beforehand. The in/out referendum on the EU or the Yes/No referendums on Scottish independence do not offer sufficient alternatives. What will come after EU membership? A free trade (all pay and no say) agreement with the EU like Norway? The Commonwealth? The USA? NAFTA? The global market? Splendid isolation?

Likewise, Salmond promises continuity when any EU lawyer, politician, and bureaucrat will tell him that there is no automatic right to membership of the European Union. So, what if membership is not automatic? Will Scotland stay outside the EU? Have its application fast-tracked? Join the queue of applicant states? He also promises currency continuity within a skeletonised British union, when there are an array of economists and Treasury politicians past and present saying it either will not work, or will render the gaining of political independence pointless. So what will happen then? Freelance use of the pound? Enforced joining of the euro? Invention of a Scottish currency?

The *à la carte* menus offered by both are, in reality, a dog's dinner.

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*Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.*

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## About the authors

Jo Murkens – LSE Law

Jo Murkens is Senior Lecturer in Law at the LSE. Dr Murkens was previously a researcher at the Constitution Unit, UCL, where he led the research on the legal, political and economic conditions and consequences of Scottish independence. Jo has taught at University College, King's College, and Queen Mary College (all in London), and was called to the Bar in 2006.



### **Peter Jones**

Peter Jones is a freelance journalist, writing on Scottish current affairs for The Economist, the Times and The Scotsman. He is also, with Jo Murkens, a co-author of [Scottish Independence: A Practical Guide](#), EUP 2001.



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